

Exhibit 2

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

TEXAS ASS'N FOR MONEY SERVICES
BUSINESSES (TAMSB), *et al.*,

Plaintiffs,

v.

PAM BONDI, in her official capacity as
Attorney General; SCOTT BESSENT, in his
official capacity as Secretary of the Treasury;
UNITED STATES DEPARTMENT OF THE
TREASURY; ANDREA GACKI, in her
official capacity as the Director of the
Financial Crimes Enforcement Network;
FINANCIAL CRIMES ENFORCEMENT
NETWORK,

Defendants.

Civil Action No. 25-cv-344

DECLARATION OF MELISSA A. WUEBBELS

Pursuant to 28 U.S.C. § 1746, I, Melissa A. Wuebbels, declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

1. I am an employee of the Internal Revenue Service (“IRS”), assigned as a Senior Manager in the Small Business Self Employed Division (“SB/SE”) Bank Secrecy Act (“BSA”), Exam Case Selection unit since October 2024.
2. I have been an employee at the IRS since October 2001. Prior to my current position, I have held other positions at the IRS including: Economist - Wage & Investment Research; Senior Tax Analyst with SB/SE Estate & Gift Tax Program; Supervisory Tax Analyst with SB/SE Estate & Gift Tax Program; Project Manager with SB/SE Exam Case Selection; Senior Manager with SB/SE Exam Case Selection - Employment Tax; Senior Manager with SB/SE Exam Case Selection - Estate & Gift Tax; Acting Assistant Director with SB/SE Exam Case Selection – Specialty; and Assistant to the Director - SB/SE Exam Case Selection.
3. In my current role as Senior Manager with SB/SE Exam Case Selection in BSA, I am responsible for the managerial oversight of the identification, selection, and delivery of cases for examination to BSA Examination.

4. On May 23, 2025, I was contacted by the SB/SE Director of Specialty Exam regarding a request for the case selection history for Payan's Fuel Center, Inc.
5. On May 27, 2025, I received a copy of the Show Cause Order for court case no. 5:25-cv-00344-FB. The Order states to show cause why the audit notice received by the business of Andres Payan, Jr. does not constitute unlawful retaliation for the testimony of Mr. Payan in that case's litigation and whether such audit notices are sent to others similarly situated. This declaration is being submitted in response to that Order and is based on information within my personal knowledge or available to me in my official capacity.

BACKGROUND AND RELEVANT AUTHORITIES

6. Section 1010.810(b)(8) of the Title 31 regulations delegates to the IRS authority to examine certain financial institutions, including money service businesses ("MSBs"), to determine compliance with the BSA requirements. Most entities, including MSBs, under IRS's examination authority are commonly referred to as Non-Bank Financial Institutions ("NBFIs"). IRS has the delegated authority to examine banks and NBFIs for compliance with the BSA that are not examined by federal bank supervisory agencies or other federal functional regulatory agencies, as defined in 31 CFR 1010.100, the general definitions of FinCEN's regulations implementing the BSA.
7. The mission of the IRS BSA Program is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity by providing the financial community top quality service to help them understand their obligations under the BSA and to ensure BSA compliance with integrity and fairness to all.
8. IRS BSA Case Selection unit is responsible for the identification, selection, and delivery of cases to BSA Examination. BSA Examination is responsible for conducting Title 26 and Title 31 examinations and education/outreach to ensure appropriate BSA compliance programs are established and implemented by covered financial institutions and to ensure compliance of financial institutions with all applicable BSA anti-money laundering program, recordkeeping, and reporting requirements.
9. IRS BSA examinations proceed in four steps – identification, selection, delivery, and examination. BSA Case Selection identifies entities for which the IRS has BSA examination authority. Upon identification, BSA Case Selection selects entities for examination using risk-based analysis. Based on BSA Examination inventory needs, cases selected for examination are delivered to BSA Examination for examination. BSA Examination examines cases to assess an entities compliance with the Bank Secrecy Act.

PAYAN'S FUEL CENTER AUDIT HISTORY AND CASE SELECTION

10. I reviewed the audit history of Payan's Fuel Center, Inc., which is a business Mr. Payan is affiliated with. In the course of this review, I learned the following:

- a. Payan's Fuel Center, Inc., identified in IRS's Title 31 Database as case #535309 for 2023 filings, was selected for examination on April 26, 2023, as a result of repeat Title 31 violations.
 - b. Andres Payan, Jr. has three prior, and now closed, IRS BSA compliance examinations, including audits that concluded in 2008 (#125520), 2015 (#344736), and 2019 (#507382). All three of these examinations resulted in the IRS issuing Letter 1112, Title 31 Violation Notification, to Andres Payan, Jr. IRS Letter 1112 advises taxpayers that our inspection of records shows violations of financial recordkeeping and reporting requirements of Public Law 91-508 and its regulations, and gives the taxpayers 30 days to respond to the letter.
 - c. Additionally, I learned that Payan's Fuel Center, Inc. has an additional case that was surveyed (case closed without examining the records) in BSA Case Selection during 2018 (#507411) with Reason Code 102, Duplicate of Existing Case. This matter is closed.
 - d. The current Payan's Fuel Center, Inc. examination (#535309) has proceeded as follows:
 - i. On September '18, 2019, BSA Examination issued Letter 1112, Title 31 Violation Notice to Payans Fuel Center, Inc. on case #507382, and marked the case in the Title 31 Database with a follow-up date of March 1, 2023.
 - ii. On April 26, 2023, BSA Case Selection followed up on #507382 and as a result, the current case, #535309 was identified and selected for examination. The file reflects that the case was selected in 2023 based on the past violation. The case was placed in virtual BSA Case Selection inventory to await future assignment to SB/SE's BSA Examination unit.
 - iii. On April 19, 2024, Payan's' current examination (#535309) was forwarded from BSA Case Selection to BSA Examination Group #1503.
 - iv. My understanding is that a separate IRS declaration will address the steps taken during the examination stage.
11. When BSA Case Selection was in possession of the case (up until April 19, 2024), there was not anything in the case file or on IRS systems that indicates Andres Payan, Jr. or Payan's Fuel Center, Inc.'s involvement in the above-captioned case, which had not yet been filed.

SHOW CAUSE ORDER

12. The Show Cause Order for case 5:25-cv-00344-FB asks, "if these audit notices are sent to others similarly situated".
13. IRS's BSA Case Selection group, where I work, is responsible for the identification, selection, and delivery of cases for examination to the BSA Examination group. BSA Case Selection identifies entities for which IRS has BSA examination authority.
14. Payan's' current examination (#535309) was identified, selected, and delivered to BSA Examination through normal BSA Case Selection procedures, which are outlined in Internal Revenue Manual 4.26.3, BSA Examination Case Selection, and highlighted below.

Moreover, the case selection stage of the process concluded in 2023 and was therefore unrelated to the litigation, which I understand was filed in April 2025.

15. The first step in BSA Case Selection is identification of entities for which IRS has BSA Examination authority. As contained in the Internal Revenue Manual at section 4.26.3, the following sources may be used to identify entities for which IRS has BSA examination authority:
 - a. Leads generated from BSA Case Selection Title 31 workload initiatives
 - b. External databases
 - c. Field referrals (referrals may require a related statute determination)
 - d. BSA examiner referrals resulting from physical observation or review of competitor listings
 - e. FinCEN Query (FCQ)
 - f. Neighborhood publications
 - g. Trade or business associations
 - h. BSA Compliance Department, Detroit special reports
 - i. Internet research
 - j. State and local licensing and/or regulatory agencies
 - k. Criminal Investigation (CI) referrals
 - l. Money Service Business (MSB) agent lists received from examiners and FinCEN
 - m. Referrals from FinCEN
 - n. Referrals from Federal, state, or local law enforcement agencies
16. When BSA Examination closes a case and issues a Letter 1112, Title 31 Violation Notification Letter, they can mark the case in the Title 31 Database with a future follow up date, which flags the entity for BSA Case Selection.
17. Following identification of the entities, BSA Case Selection Coordinators select entities for Title 31 examinations using risk-based analysis to identify entities with the highest potential of non-compliance, taking into consideration the priorities in the annual work plan, available resources, case grading guidelines, balanced coverage (geographic area and industry), and anticipated field inventory needs.
18. Internal Revenue Manual section 4.26.3 provides for the following information: Factors used in the Title 31 case selection process may include:
 - a. Referrals from CI, FinCEN, or other BSA examinations.
 - b. Local geographic areas identified as High Intensity Drug Trafficking Areas (HIDTAs) and High Intensity Financial Crime Areas (HIFCAs).
 - c. Compliance history.
 - d. Unusual Currency Transaction Report or Suspicious Activity Report filings and non-filing patterns.
 - e. Anomalies in bank cash transaction reports (CTRs) or suspicious activity reports (SARs) filed with FinCEN on or by an entity, indicating unusual cash activity.
 - f. Entities that are unregistered as an MSB but appear to be operating as an MSB.
 - g. Entities that are MSBs but have not renewed their registration or are new MSBs.
 - h. History of filing forms late and/or with errors.

- i. Appearance of facilitating structuring.
 - j. Referred by federal, state, or local enforcement agencies or regulatory agencies.
 - k. Prior audit history.
19. Accordingly, as a matter of policy, considerations include compliance history and prior audit history.
20. Depending on BSA Examination inventory needs, cases selected for examination are immediately sent to BSA Examination or go to the virtual BSA Case Selection inventory to await future assignment to BSA Examination. The BSA Case Selection Group Managers monitor and analyze weekly inventory reports and determine BSA Examination inventory needs. BSA Case Selection delivers Title 31 inventory to BSA Examination via the Title 31 Database, taking into consideration entities with the highest potential of non-compliance, priorities in the annual work plan, available resources, case grading guidelines, and balanced coverage (geographic area and industry).
21. The next step is the actual examination, which is the responsibility of BSA Examination. BSA Examination is responsible for reviewing the case file and supporting documentation to determine if the case should be treated in one of the below three ways:
- a. “Survey Before Assignment” – Closed without contact with the taxpayer and before assignment to an examiner.
 - b. “Survey After Assignment” – Closed after assignment to an examiner, without contact with taxpayer, but after consideration the examiner believes an examination would result no material change.
 - c. “Examined” – Follow IRM 4.26.6, BSA Examiner Responsibilities.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

Executed this 6 day of June 2025.

Melissa A.
Wuebbels

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Wuebbels
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Melissa A. Wuebbels
Senior Manager Bank Secrecy Act Case Selection
Internal Revenue Service